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## **Initial Transcript**

# THE SITUATION IN IRAQ AND PROGRESS BY THE GOVERNMENT OF IRAQ IN MEETING BENCHMARKS AND ACHIEVING RECONCILIATION

SUBJECT: GENERAL DAVID H. PETRAEUS, U.S. ARMY, COMMANDING GENERAL, MULTINATIONAL FORCE IRAQ; AMBASSADOR RYAN CROCKER, U.S. AMBASSADOR TO IRAQ

LOCATION: HEARING OF THE SENATE ARMED SERVICES COMMITTEE



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SUBJECT: THE SITUATION IN IRAQ AND PROGRESS BY THE GOVERNMENT OF IRAQ IN MEETING BENCHMARKS AND ACHIEVING RECONCILIATION

CHAIRED BY: SENATOR CARL LEVIN (D-MI) WITNESSES:

GENERAL DAVID H. PETRAEUS, U.S. ARMY, COMMANDING GENERAL, MULTINATIONAL

FORCE IRAQ; AMBASSADOR RYAN CROCKER, U.S. AMBASSADOR TO IRAQ LOCATION: 106

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I know, for example, that Iraqi security forces are simultaneously engaged now in Basra against Iranian-backed Shi'a extremists and they're engaged in Mosul against al Qaeda and its Iraqi supporters. And I think that is important. The reflection of that has been seen in the level of political unity behind the prime minister. It's as or more extensive than anything I've seen during my year there.

SEN. LIEBERMAN: Right.

AMB. CROCKER: The meeting of the political council of national security on Saturday -- this brings together the president, the two vice presidents, the speaker, the two deputy speakers of parliament, the prime minister, the deputy prime minister and the heads of all major parliamentary blocks -- unanimously developed a statement, a 15-point statement that included support for the prime minister in these efforts. It called for the disarming and elimination of all militia elements and it had a strong message warning of outside interference

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in Iraq's affairs.

So I think these are all highly positive developments that the government can continue to build on as it moves ahead with the other elements of the reconciliation agenda. Again, I can't predict that, you know, this is taking us to a new level in Iraq, but it is, from a political perspective, distinctly encouraging.

SEN. LIEBERMAN: Thank you very much.

Thank you, Mr. Chairman.

SEN. LEVIN: Thank you, Senator Lieberman.

Senator Inhofe.

SEN. JAMES INHOFE (R-OK): Thank you, Mr. Chairman.

Several of us up here -- all of us feel so strongly about the valor of our young troops. I will be attending a funeral at Arlington at 3:00 today for Staff Sergeant Christopher Hake from Enid, Oklahoma. I just gave a tribute to him on the floor. And there are so many others who are truly heroes, and I think we need to keep repeating that and reminding ourselves of the great service that they're performing.

Let me just ask a couple question on the detainee issue, as I don't think that's come up yet. I know that some of the far left are going to try to paint a picture that the United States of America and our troops are somehow brutal and torturing detainees. And I think this is something that is going to be coming back and they're going to try to make people believe this and yet it's not true. I recognize, initially, at Abu Ghraib there was some that did not perform well, but after that, that act has been cleaned up.

I just got back from my -- I think my 14th trip in that area. But I was very careful to go to Camp Cropper and Camp Bucca where the -- these are the largest detainee facilities that are there. Lieutenant General Stone I think has done an outstanding job there, General Petraeus. And he was good enough to let me have a free hand to go through both of these facilities.

In doing so, I had an interpreter and actually had interviews with some of these detainees, asked each -- asking each one of them the question, "Have you ever been abused, mistreated," and all this. I got nothing but positive answers.

In fact, they were very, very positive toward us. I'd like to have you make any comments you might make concerning the progress that's been made in the way that the detainees are treated.

GEN. PETRAEUS: Well, Senator, there's been enormous change for the better in the detainee facilities. One focus, in fact, was to conduct counterinsurgency operations in the detainee facilities. In

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other words, you cannot allow the irreconcilables to be with the reconcilables. You have to get the Takfiri out of these large compounds, which you saw, of hundreds of detainees, and not allow them to proselytize, intimidate and to take out physical abuse of their fellow detainees who don't willingly go with them, and in fact to avoid a situation where you have a training ground for the terrorist camp of 2008 or 2009.

We separated the irreconcilables. We have now -- we're now providing education. There's always been good health care, good food and good conditions -- and also, in fact, to the point that there are over a hundred who have actually requested to stay on in detention after their actual time was up, after their reintegration review board, because they wanted to complete either job training or civilian education or some of the religious training that is offered in these facilities.

Again, this has been an enormous change, and General Stone and his team have done wonderful work in this regard. It has resulted, most importantly, in a recidivism rate, a return to Bucca or Cropper, if you will, that is very, very small compared with what it used to be. And we track that because we have the biometrics on each of the individuals who have been in our facilities. So it's an enormous shift. It is something we are trying to capture in our doctrinal manuals, so that we can continue to build on this and to perform detainee operations in a much enhanced way over what was done before.

SEN. INHOFE: Yeah, that was my observation.

Ambassador Crocker, I -- in your opening statement you referred to the, I believe -- Ahmadinejad making the statement that if something happens, if the -- we leave precipitously, that there would be a vacuum, and he would fill that vacuum. You didn't take any -- much time after that to say what would happen. Do either one of you want to comment on what would happen if they were to fill that vacuum?

AMB. CROCKER: Senator, I think the developments in Baghdad and Basra over the last couple of weeks have been very instructive on a number of levels. I commented on one of them in response to Senator Lieberman's question. It is also very important in what it shows us of what Iran is doing. Because the general level of violence is down, we could see, I think, much more sharply defined what Iran's role is in the arming and equipping of these extremist militia groups.

And what it tells me is that Iran is pursuing, as it were, a Lebanonization strategy, using the same techniques they used in Lebanon, to co-opt elements of the local Shi'a community and use them as basically instruments of Iranian force. That also tells me, sir, that in the event of a precipitous U.S. withdrawal, the Iranians would just push that much harder.

SEN. INHOFE: Yeah. And they said they would do that.

Last question here. As you well know, down at Camp Bucca --

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that's real close to Basra, where all this is taking place, and I was there right after that took place. I'm a little confused. There is a lot of criticism over the way they performed. According to our troops over there, they were real pleased that they came in when they did with their troops and demonstrated very clearly that they're willing to take on that responsibility. The impression I got from the troops that were there is that the Iraqis did what they should do and they did it -- they performed very well.

GEN. PETRAEUS: Sir, I don't want to overstate the performance. However, the Iraqi people down there by and large were grateful for the action by the Iraqi security forces, by the decision that Prime Minister Maliki took to, in fact, confront the militia, criminals, gangs, whatever it might be. And in fact, as I mentioned, the operation is by no means complete. It is continuing, it continues to grow on a much more deliberate basis instead of the fairly -- the more rapid, sudden basis in which it was started and where there was some faltering at the beginning, as I mentioned. They now control the different ports, for example, they control some key areas through which smuggling as well as other contraband used to go. And so again, I'm not surprised to hear that comment.

SEN. INHOFE: Okay, my time has expired. But for the record, I'd like to kind of get your opinion as to where we are right now in the numbers -- the sheer numbers of the Iraqi security forces. It's my understanding we're at about 140,000 now; we want to get up to around 190(,000). But maybe a status for the record.

GEN. PETRAEUS: Be happy to (provide it ?).

SEN. INHOFE: Thank you, Mr. Chairman.

SEN. LEVIN: Thank you, Senator Inhofe.

Senator Reed.

SEN. JACK REED (D-RI): Thank you, Mr. Chairman.

General Petraeus, do you believe that the Mahdi Army, the JAM, will voluntarily disband and disarm at the request of the prime minister?

GEN. PETRAEUS: Sir, some elements of the Mahdi Army could be incorporated into legitimate employment and other legitimate activities. Now, standing down at the direction of the prime minister is something that would undoubtedly result in violence. However, as you may have seen recently, Muqtada al-Sadr has said that he would stand down the force at the request of the marjaiya, of the senior Shi'a clerics in Najaf.

And we're just going to have to see how that plays out in the months ahead.

SEN. REED: But unless he is instructed by the senior Shi'a

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clergy, he would likely resist that which would lead, in your words, to accelerated violence between -- within the Shi'a community.

GEN. PETRAEUS: It depends again how it's done, Senator. And if you can do this gradually over time with the force in the background that is capable of taking out action and providing alternatives, the key here is actually providing some other means of livelihood, the same problem that, as you know, we had in a number of the different Sunni communities that were in the grip of al Qaeda.

SEN. REED: Well, after the attack in Basra, where the prime minister committed to destroy these elements and then he had to withdraw, I think this is less of an employment problem than an existential problem of the political survival of one or the other. And in those terms, unless there's a voluntary compliance by the Mahdi Army, the alternative for violence seems to be quite significant.

Let's assume that's the case. Will you participate with your military forces in supporting the government?

GEN. PETRAEUS: First of all, there is some voluntary standing in already, Senator. And a number of the Sadr political leaders, in fact, have been engaging and do not want to bring the violence.

I mean, everyone has again looked into the abyss and said, this does not look good; let's step back and let's see if there is some alternative that can be followed.

And so --

SEN. REED: What's the alternative?

GEN. PETRAEUS: Well, the alternative again is incorporation in the political process and, over time, providing some avenue for these young men to again participate in the economy and so forth. And that has actually worked in a number of neighborhoods, like West Rasheed and a variety of southern communities.

SEN. REED: I think that's the same dilemma. It's been a dilemma now for a year or more with respect to the CLC, the Sons of Iraq, where they are still being paid by us and they are not being assumed, at least 60,000 of them, into the apparatus of the state of Iraq. Is that --

GEN. PETRAEUS: Over -- actually it's well over 20,000 now, Senator, have been --

SEN. REED: 60,000 are still not assumed.

GEN. PETRAEUS: I believe it's over 90,000 actually that are on the rolls right now and that will either be transitioned between 20 and 30 percent to the Iraqi security forces. And the issue there is one often of illiteracy and/or physical disability, but over time. And then the Iraqi government has pledged funds, as I mentioned in my

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opening statement, to retraining programs, to education programs and to other job employment programs.

SEN. REED: So I can assume you are giving advice, and the ambassador giving advice, to Maliki to go slow, to incorporate the Mahdi Army into the economy and political life of Iraq over many months. Is that the advice you're giving him? Or are you giving him any advice at all?

That seems to be contradict what he tried to do in Basra.

GEN. PETRAEUS: Basra did go much more suddenly than we expected, Senator. There's no two ways about it. And again, you heard, in fact -- the report is a good account. I think it is accurate to say that he thought perhaps it would be a bit more like when he went to Karbala back last year and the sheer presence and so forth would be adequate. And that was clearly not the case in Basra.

Now again, in Basra what has to be done -- and they have just announced, for example -- what is it, a hundred --

STAFF: Hundred million --

GEN. PETRAEUS: -- hundred million dollar program to begin addressing these kinds of issues and, again, to get some alternatives to the young men down there to toting a gun on a street corner.

SEN. REED: Well, it seems to me that Basra illustrated the ultimate conflict between Sadr and Maliki and the elected government. It's a conflict they tried to resolve militarily. They failed because the military forces failed and because people got very nervous about it was spinning out of control. That ultimate conflict is still there. It's the existential conflict with respect to the Shi'a community. And the potential violence, to my mind, is very real, and we'll be engaged somehow, either on the sidelines watching or swept up in it.

Let me switch to the ambassador a moment. Mr. Ambassador, is the Mahdi Army and the JAM the only Shi'a organization that is receiving assistance, cooperation, has significant contacts on a routine basis with the Iranians?

AMB. CROCKER: I don't think so, Senator.

SEN. REED: Who else might be having that kind of contact? If not military training, then a dialogue, money moving back and forth for other reasons?

AMB. CROCKER: Let me -- those are two different aspects and I'll address them separately. There are other militia groups down in Basra, a militia organization called Thar Allah, the Vengeance of God, whose leader, incidentally, is now in detention. They almost certainly get support from Iran, as does something called Iraqi

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Hezbollah. That does not necessarily imply a connection to Lebanese Hezbollah, but again, an extremist militia. Iran has the -- again the tactic, as we've seen in Lebanon, of supporting a number of different --

SEN. REED: Would that include the ISCI element, the Badr Brigade?

AMB. CROCKER: I'd put that in the second category. Iran has a dialogue with, again --

SEN. REED: Everyone in the Shi'a community.

AMB. CROCKER: -- everyone. That's right. And --

SEN. REED: And it's a mutual dialogue.

AMB. CROCKER: And not just the Shi'a community. What has happened with the Supreme Council and Badr is that they've basically gotten out of the overt militia business. It's now the Badr organization. And many of its elements did integrate with the Iraqi security forces.

SEN. REED: Thank you. My time's -- (inaudible).

SEN. LEVIN: Thank you, Senator Reed.

Senator Sessions.

SEN. JEFF SESSIONS (R-AL): Thank you, Mr. Chairman.

And I'd like to thank both of you for your service. General Petraeus, I know that this is your third year in Iraq. You've given of your great abilities and commitment to our country because you were asked to serve, and you've done so excellently and progress has been made.

And when a year -- a little over a year ago, you were confirmed here to go there, I think there was a feeling that we needed to give General Petraeus a chance one more time. And the numbers show that you have made extraordinary progress, it seems to me.

I asked you at that time, when things looked rather grim -- I asked you, did you believe that we had a realistic chance to be successful in Iraq? And you said you did, or you wouldn't have -- wouldn't take the job. After this period of time there, now, a little over a year, how would you evaluate our prospects for success today?

GEN. PETRAEUS: Well, as I said, Senator, in my statement, there are innumerable challenges in Iraq in the way ahead, but I do believe that we have made progress and I also believe that we can make further progress if we are able to move forward as I recommended.

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SEN. SESSIONS: Well, I just want to thank you for an extraordinary demonstration of military leadership. And also I think we would share an affirmation of the American military, who under difficult circumstances have performed so magnificently, to see us move from a time when I think this country was deeply concerned about our prospects in Iraq to a period where we're seeing real progress.

And I think we should listen to you about how to enhance that progress, because this is a policy of the United States of America; it's a policy we voted on by three-fourths of both houses of Congress. And we are making progress towards success, and we need to listen to those who helped get us there about how we can maintain it.

Ambassador Crocker and General Petraeus, I am curious about this activity -- the action in Basra and the south, when Prime Minister Maliki sent troops there. I appreciate your comments to Senator Lieberman, Ambassador Crocker, about the fact that there seems to be in that action a demonstration that the central government is willing to take on Shi'a extremists, even though they are at base a Shi'a-supported government. So they're taking on in some sense some of their own base support, that many on this panel over the months have complained they're not willing to do. It seems to me that they did do that. Now, it does appear that they could have been more effective, perhaps, with better planning.

But does this suggest that a significant event has occurred? Is Prime Minister Maliki developing some confidence now? And is his government seeing itself as a national government of Iraq and is prepared to use military force to defend the concept of the country of Iraq? Is that an important thing that's happened here? Ambassador Crocker, if you want --

AMB. CROCKER: Senator, I believe it is. That certainly is the reaction that we're seeing from Iraq's political leadership.

And I was in intensive contact with them during this period before our departure, as was General Petraeus, and the change in tone from other leaders toward the prime minister and his government is marked. They do see him as taking a strong stand against illegal elements without regard to their sectarian identity, and that has had enormous impact on the Sunnis, on the Kurds, as well as other Shi'a.

So I'm pretty cautious about labeling defining moments or watersheds. In fact, I'm real cautious, and I certainly won't call what we've seen there that. That will be visible only in retrospect. But I do think it is important.

SEN. SESSIONS: General Petraeus, is there any -- the American military is just magnificent in after-action reports, analyzing if they -- what went wrong, brutally honestly. Are the -- did the -- are the Iraqis actually evaluating what they did in Basra? And do you think there's any prospect that they've learned from that?

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GEN. PETRAEUS: In fact we've already run an after-action review or they ran an after-action review, actually, in Baghdad, based on the actions in Baghdad at the same time. Most of the participants in Basra are still engaged in operations, and we will get to an after-action review with them, although we've done a macro-level one, obviously, with some pretty basic conclusions about, obviously, the need for more deliberate setting of conditions. And that's the kind of approach that we take to set conditions, if you will, before you conduct an operation. And those conditions, in this case, were not as deliberately set as they might have been.

SEN. SESSIONS: Finally, with regard to Iranian influence, how would you describe the situation in Basra, in the south, in the Shi'a community? How was that influenced by Iran? And to what extent has Iran been strengthened or weakened as a result of this military action?

GEN. PETRAEUS: Well, the weaponry -- the bulk of the weaponry certainly came from Iran, Senator. And again, there are very signature items that you see in the hands of the special groups and of some of their militia allies: the explosively formed projectiles, the 107-millimeter rockets and a variety of other items. And we have seen those all repeatedly.

I -- as to Iran strengthening or not, I think, again, this is still very much ongoing. Iran, at the end of the day, clearly played a role in -- as an arbiter, if you will, for talks among all of the different parties to that particular action.

And whether that strengthened them or also made them realize that their actions have been destructive in helping a country they want to succeed, presumably -- the first Shi'a led democracy -- whether that, again, gives them a good sense or again, causes them also to draw back I think is very much in question right now. Ambassador might have a view on that.

AMB. CROCKER: It's not something I could really give a definitive response to, but I would point out some things that are important to watch. The militia actions by and large were very unpopular among Iraqis, and that is why the prime minister's gotten such broad-based political support. It is universally known or believed that the Iranians were behind them, so that unhappiness descends on them a bit, too.

I think one might look for a reconsideration in Tehran as to just where they want to go in Iraq, because over the long term, as General Petraeus suggests, their interests, I think, are best served by the success of the state and this government. No country other than Iraq itself suffered more under Saddam Hussein than did Iran with that brutal eight year war. So they should be thinking strategically. And the reaction to their -- the militias they support I would hope would lead them to do that.

I note the statement by the Iranian government today actually

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condemning the indirect fire attacks on the international zone. Again, not sure what to make of it at this point, but it does underscore that Iranian influence in Iraq, while malign and destabilizing as they pursue the policy I described earlier, there are limits on them. Iraq is, in its essence, as I said, an Arab nation, and Iraqi Shi'a, Arab Shi'a died by the -- literally the 100s of thousands in the Iran-Iraqi war defending their Arab state of Iraq against an Iranian enemy. So there are some constraints on Iran, and this would be an excellent time for them to reassess what is ultimately in their own long-term interest.

SEN. SESSIONS: Thank you.

SEN. LEVIN: Thank you, Senator Sessions.

Senator Akaka?

SEN. DANIEL AKAKA (D-HI): Thank you very much Mr. Chairman.

General and Mr. Ambassador, I want to express my deep gratitude and appreciation for your service to our country, and also that of our military personnel who serve so well there. General, the Army has been operating with a 15-to-12 deployment-to-home-station ratio for some time now, and has indicated its desire to immediately shift to a 1-to-1 ratio and, if possible, to a 1-to-2 ratio.

Part of the effort to achieve these numbers has been the increase in Army end strength. But these forces will not be available for deployment for some time. In the near-to-medium term, especially if a decision is made to freeze further troop withdrawals, the strain on equipment, on our forces and on their families as well will continue.

My question to you, General, is it your understanding that most of the soldiers, who return for subsequent deployments to Iraq, are getting about six months quality time with their families over a three-and-a-half year period?

GEN. PETRAEUS: My expectation would have been that it would be more than that, Senator.

There's no question but that there are individuals who are in their third tour in Iraq since it began. But they happen to be individuals that either stayed in a unit that did just cycle back through, did not go off to another assignment in the Army somewhere, didn't go off to a school or what-have-you. Again the Army would be the one best to answer what the average dwell time is across the force.

There's no question that certain individuals in certain units, if they have stayed in those units over time, have -- may now be on their third tour in Iraq. And there's no question as well that a 15-month tour is very, very difficult on a soldier and on a family. And as I mentioned, the strain on the force is something that I very much took into account when I recommended the continuation of the drawdown of

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the surge and the way ahead as well.

I might note that there is something very special to soldiers about doing what they are doing however. The 3rd Infantry Division, which is in Iraq right now on its third tour, you'll recall that it spearheaded the advance to Baghdad in the very beginning in the liberation of Iraq and is now back for its third tour. That division just met its reenlistment goal for the entire year at about the halfway mark in this fiscal year.

So again despite how much we are asking of our young men and women in uniform, they do recognize both the importance of what they're doing and, I guess, this very intangible of being a part of the brotherhood of the close fight, if you will, which is truly unique and special. And they have continued to raise their right hand to volunteer.

We are very concerned about one subset of the population. And that is the young captains, of whom we've asked a great deal as well. And that is one that the Army is looking very hard at.

But again I am personally, keenly aware of the, I mean, I have actually, with respect, I've been deployed now for four-and-a-half years since 2001 on operations alone, not to mention training and other activities.

And there's no question about the toll that it takes and the challenges that it presents, not just to the soldiers, but to their families.

SEN. AKAKA: General, given your perception of the security conditions in Iraq, how long before you feel we will be able to meet the Army's desired dwell ratio?

GEN. PETRAEUS: Sir, again, I -- that has to be a question for the army. I'm not -- I don't know their force generation plans, what their projections are for the bringing on of additional brigade combat teams. I know that their initial goal is to try to get back to a 12-month deployment. I'd certainly support that, again. They're the ones that are the generators of the force, though, not me.

SEN. AKAKA: General, as chairman of the Readiness Subcommittee, I am especially concerned that testimony from combatant commanders outside of the U.S. Central Command indicate that operations in Iraq are affecting the readiness of their forces to be able both to train for and meet potential crises in their respective areas of operation. A recent deterioration of relations between North and South Korea highlight the increased risk born by the United States, should that situation continue to worsen to the point where military involvement is required.

Additionally, the Commission on the National Guard and Reserves testified that due to the high operations tempo of our Reserve forces, there is an, quote, "appalling gap," unquote, in readiness for

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homeland defense. Clearly, there is a widespread agreement in the Defense Department that this level of U.S. troop commitment is unsustainable.

In your view, General, at what point must the military, in effect, hand over the majority of security responsibilities to the Iraqis so that the burden can be more equitably shared between our two countries so that we can begin the reset of our forces that is so long overdue?

GEN. PETRAEUS: Well, Senator, as I mentioned in my opening statement, there are already many multiples of Iraqi security forces serving in the Iraqi police, border police, army, a small air force, navy and so forth. And in fact, it is Iraqi security forces who are the cops on the beat, who are performing a vast number of tasks.

To be sure, our forces still have the unique capabilities in certain areas, when going against al Qaeda and other extremist elements. And obviously, we have the enablers, if you will -- air support and some logistical capabilities and others -- that the Iraqis do not yet have but are working on. In fact, one item during Basra was that their C-130 fleet ferried an awful lot of the supplies and casualties to and from Baghdad and Basra.

So again, they are gradually, slowly expanding.

By the way, they want to buy U.S. C-130s and have asked to be able to buy the C-130J more quickly than I think the original response has been that it would be available.

So they are already shouldering an enormous burden. It is being handed to them more all the time. But clearly, as we have seen, they need assistance in an number of different areas, and that's what we are providing.

SEN. AKAKA: Thank you for your responses, General.

Thank you, Mr. Chairman.

SEN. LEVIN: Thank you, Senator Akaka.

Senator Collins.

SEN. SUSAN COLLINS (R-ME): Thank you.

General, four and a half years of deployment truly represents extraordinary sacrifice. And I want to begin my comments by thanking you and Ambassador Crocker for your service. It's been courageous. It's been extraordinary.

General, for years this committee has heard that progress is being made in the training and equipping of Iraqi forces. Each year military commanders come before us, and they tell us that Iraqi troops are becoming more and more capable. Today, for example, you testified

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that the number of combat battalions capable of taking the lead in operations has grown to well over a hundred.

Success always seems to be just around the corner when it comes to training and equipping of Iraqi forces. Yet when put to the test, the Iraqi forces have performed very unevenly. And it's very disturbing to me to read the press reports that more than a thousand Iraqi soldiers refused to fight, fled or abandoned their positions during the battle in Basra.

Ultimately, as the ambassador has said this morning, the fate of Iraq is up to the Iraqi people. My concern is, as long as we continue to take the lead in combat operations, rather than transitioning to more limited missions, the Iraqis are never going to step up to the plate and fight for their country.

So my question to you is, why should American troops continue to take the lead in combat operations at this point, after years of training and equipping the Iraqi forces, after spending tens of billions of dollars training and equipping of Iraqi forces?

GEN. PETRAEUS: Well, first of all, Senator, in Basra we did not take the lead.

Basra is a province that is under Iraqi control. The sovereign Iraqi prime minister made a decision to confront a challenge. It was not just a political challenge; this is a militia gang -- criminals who were threatening the population. And then deployed forces very rapidly -- frankly, more rapidly than we thought they would deploy -- over the course of a week deployed the combat elements of a division. And then they moved very rapidly into combat operations. Again, too rapidly, most likely, without setting all the proper conditions and so forth. But they were in the lead.

We provided support. We did provide some close air support, attack helicopters. We augmented their C-130 fleet, their helicopters were also ferrying in and out of Basra as well. But we clearly did provide a number of enablers.

They do not yet have intelligence, surveillance and reconnaissance platforms. They don't have counterfire radar. They don't have a sufficiently robust expeditionary logistics structure. They do now provide their own logistics at their own bases, at their own police academies and all the rest of that, but again, taking that — the next step is doing it after you've deployed, again, the better part of a division's worth of combat forces. Two brigades within about 36 hours of notification, another later in that week.

They are actually taking the lead in Anbar province in a number of different places. Again, there's a guiding hand there, but one of the largest reductions in the reduction of surge forces will come in Anbar, which you'll recall, of course, in the fall of 2006 was assessed as lost, and then through the awakening, through the combat operations, additional forces and so forth, Iraqi as well coalition

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over time has become a province that is actually relatively peaceful and actually on the road toward prosperity. Again, it is a -- it's a process, rather than a light switch, and when the going has gotten tough or whether -- where it requires more sophisticated application of force, we have had to help them out. But over time --

SEN. COLLINS: But 1,000 troops --

GEN. PETRAEUS: Well, it's 1,000 out of I don't know how many 10s of thousands actually were there, confronted by very, very tough militia elements. And, in fact, again, because of the positioning of the forces where they were able to get overwhelmed by larger groups of the militia, put them into an untenable situation. So I'm not in the least bit apologizing for them, but I do see the situation that they were confronted with because of the speed with which they went into action was a very, very difficult one for any troopers.

So again, what I would point to is that in other provinces where we have virtually no presence or perhaps a Special Forces A Team again, such as in Karbala province, in Najaf, in Hillah, in Nasiriyah and others in the south where, because of the operations in Basra, there were also outbreaks of militia violence. In those areas, the Iraqis proved equal to the task and in fact were able to maintain security; again, the same with varying levels in certain areas of Baghdad.

REP. COLLINS: Ambassador, in 2003, several of us proposed that the reconstruction aid to Iraq be structured as a loan rather than a grant. You may recall that debate. We didn't prevail.

Now we look at \$100-a-barrel oil, an Iraqi budget that was predicated on \$50-a-barrel oil. And the Iraqis, sir, are clearly reaping a windfall from the higher oil prices.

You mentioned that the era of our paying for major reconstruction is over. But we're continuing to pay the salaries of the Sons of Iraq, in many cases. We're continuing to pay for the training and equipping of Iraqi forces. I'm told that we're even continuing to pay for fuel within Iraq.

Isn't it time for the Iraqis to start bearing more of those expenses, particularly in light of a windfall of revenues due to the high price of oil?

AMB. CROCKER: Senator, it is, and that is something that both General Petraeus and I are engaged on.

We've had several discussions with the prime minister, for example, on the importance or the need for the government of Iraq to pick up the funding for employment projects. And he agrees, so we're working out the ways to do this.

I think what we've got to focus on in the period ahead is this kind of transitioning. And it will be, like everything else in Iraq,

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a complex process. What have they got the capacity to do? How do they get the capacity to do it? But I think that's clearly the direction that not only should we move in but that we are moving in.

SEN. COLLINS: Thank you.

SEN. LEVIN: Thank you, Senator Collins.

Senator Bill Nelson.

SEN. BILL NELSON (D-FL): Thank you, Mr. Chairman.

Gentlemen, I've got a series of questions. If I don't finish them now, I will have an opportunity to continue this afternoon in the Senate Foreign Relations Committee. And please understand my comments, my questions. It is with a great deal of respect and deference to the two of you and appreciation for your service to our country.

Now, I want to frame my questions within the context of a year ago, more than a year ago. Because the whole idea was -- that you all presented to us -- was that the military surge would stabilize the situation so that then the environment would be created in order for us to have political reconciliation over there.

Indeed, January a year ago, in '07, Secretary Gates said that he thought by March of '07 -- or about 3 months after he testified -- he said that he would know whether or not the surge was working. Well, of course, that time came and went. And then one of the times that you were in front of us, General -- I don't remember if it was in your confirmation or if it was one of the reports that you gave back to us -- you testified that the surge was necessary for political reconciliation.

Now, I heard some disturbing testimony last week in the Senate Foreign Relations Committee from two retired generals. One, retired Lieutenant General Odom who said, and I quote, "Violence has been temporarily reduced, but today there is credible evidence that the political situation is far -- is, thus far, more fragmented." And then he went on to talk about Basra and so forth.

And then retired four-star General McCaffrey, in response to my question about what's your degree of optimism or pessimism, this is what he says, quote, "It's a hell of a mess. I mean, you know, there's just no way about it. It's a \$600 billion war, 34,000 killed and wounded. We've alienated most of the global population. The American people don't support the war. And the Iraqi government's dysfunctional. The Iraqi security forces are inadequate, illequipped. And we've got very little time. By the way, I'm not recommending that we come out of Iraq in a year or three, but that's what's going to happen. This thing is over. So the question is, how do we stage as we come out?"

And continuing -- this is General McCaffrey, "And you've got to,

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at some point, hit the civil war in the direction of somebody who's more likely to govern Iraq effectively than the current incoherent, dysfunctional regime that's in power." End of quote.

So I go back to the original predicate with which we talked about the surge. Has the political reconciliation happened? General?

GEN. PETRAEUS: Well, as the ambassador laid out, there has been agreement among the different political parties on a number of pieces important to reconciliation, if you will, and laws that represent reconciliation.

SEN. BILL NELSON: All right.

GEN. PETRAEUS: Among them is, in fact, the de-Ba'athification reform. There's also the provincial powers law. There is a pensions reform bill that is little-noticed but actually extends pension rights to tens of thousands of Iraqis who were shut out because of de-Ba'athification and their policies --

SEN. BILL NELSON: Right. Right. That's a step in the right direction. Now, the question is, have those laws been implemented?

GEN. PETRAEUS: I believe that the pensions law is -- again, is in the process of being implemented. Again, de-Ba'athification -- again, they're collecting the information for that.

SEN. BILL NELSON: Have those laws been implemented to the point that we can see in Iraq that there is this political reconciliation, which is the goal in the first place, coming back to over a year ago, of the surge?

GEN. PETRAEUS: Do you want to do --

AMB. CROCKER: Senator, if I might, I noted in my testimony, when I talked about these laws, that obviously how they are implemented is going to be key. The amnesty law, part of the legislative package passed in the middle of February, is being implemented -- 24,000 applications for amnesty received and about 17,000 approved. That's actually moved out at a pretty impressive speed.

The provincial powers law comes into effect after the forthcoming provincial elections. It's prospective. It does not apply to the current provincial councils.

The one important step it did foreshadow is an electoral law to set the conditions for those elections. That is actively being pursued within the Council of Ministers, and it's a process, incidentally, where we are involved, at the Iraqi government request, as well as the U.N., to help them get it right, particularly with respect to the role of women in these elections.

So you know, again, a lot to be done, Senator, but they have, A, passed the laws, and in several cases, particularly the amnesty law,

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we see them moving out pretty rapidly.

SEN. BILL NELSON: So you think we are moving toward political reconciliation?

AMB. CROCKER: I think the various elements that I mentioned in my statement, both the national-level legislation, the way parliament works, because there was a lot of cross-bloc horse trading going on to -- particularly for that February package that had gives and takes from all of the political groups, which of course in many respects are sectarian-organized -- that process, I find, is as encouraging as the result.

So yes, I think they're moving in the right direction, but yes, I also believe they've got an awful lot more in front of them.

SEN. BILL NELSON: I'll look forward to continuing this this afternoon. Thank you, gentlemen.

SEN. LEVIN: Thank you, Senator Nelson.

Senator Graham.

SEN. LINDSEY GRAHAM (R-SC): Thank you. Both of you, well done. You know, according to some, we should fire you, it sounds like, that everything is just -- really nothing good has happened in the last year, and this is a hopeless endeavor.

#### (TRANSCRIPT)